

October 25, 2007

To All Interested Parties:

This letter is to those who have previously expressed an interest in the Rice Straw Tax Credit Program. As most of you know, this program provides a tax credit of \$15 per ton of rice straw to taxpayers who purchase California grown rice straw during the taxable year. The program applies to rice straw purchased between January 1, 1997 and December 1, 2008. The program is limited by an annual cap of \$400,000 for the total tax credit available to all taxpayers. The California Department of Food and Agriculture (CDFA) is charged with administering this program.

Attached are the Program Description and Rice Straw Tax Credit Application Form for rice straw purchases made during the 2007 calendar year. This information is also available online by going to CDFA's Office of Agricultural and Environmental Stewardship web site, www.cdfa.ca.gov/aes/environmental_stewardship.html, under **General Information/Ag and Environmental Stewardship**.

CDFA will begin accepting applications for the tax credit for rice straw purchased during the 2007 calendar year on a first-come-first-served basis on **Wednesday, December 5, 2007 at 8:00 am**. Applications may be submitted either in person or by mail to the **CDFA Cashier, 1220 N Street, Room 140, Sacramento, California 95814**. Each application will be date and time stamped in the order received by the CDFA Cashier.

Applications received prior to 8:00 am, December 5, 2007 will not be accepted. CDFA continues to accept tax credit applications for rice straw purchased in 1997, 1998, 2000, 2001, and 2002.

CDFA will issue a tax credit certificate to a qualified taxpayer based on an eligibility determination by CDFA upon review of the application and the order in which the application was received. If you submit an application, you will be notified by mail no later than 60 days after submittal as to the status of that application.

Please contact me with any questions you may have regarding this program at (916) 657-4956 or at sshaffer@cdfa.ca.gov.

Sincerely,

Original signed by

Steve Shaffer, Director
Agriculture and Environmental Stewardship

